

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: JOHN R. HAMMOND JR.
DEPUTY ATTORNEY GENERAL**

DATE: AUGUST 11, 2021

**SUBJECT: AVISTA CORPORATION'S ANNUAL POWER COST ADJUSTMENT
(PCA) APPLICATION; CASE NO. AVU-E-21-09.**

On July 30, 2021, Avista Corporation ("Company") filed its annual Power Cost Adjustment ("PCA") Application. The PCA is an annual adjustment mechanism that tracks changes in the Company's hydroelectric generation, secondary prices, thermal fuel costs, and changes in power contract revenue and expenses.

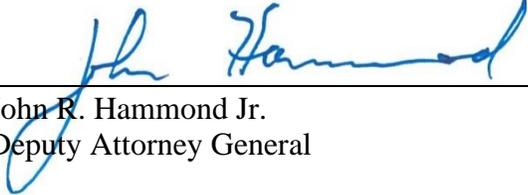
This year, the Company asks the Commission to approve recovery of power costs deferred for the period of July 1, 2020, through June 30, 2021, and approving a PCA surcharge rate of 0.251¢ per kilowatt-hour ("kWh") with an effective date of October 1, 2021. Under the Company's proposal, the PCA surcharge rate for all customers, including residential customers, would increase rates from the current surcharge rate of 0.015¢ per kWh to a proposed surcharge of 0.251¢, an increase in the rate of 0.236¢ per kWh. The Company represents that since PCA rate adjustments are spread on a uniform cents per kilowatt-hour basis, the resulting percentage increase would vary by schedule. The Company represents that the overall increase, if approved by the Commission would be approximately \$7.2 million or 2.8%. The Company represents if its Application is approved residential customers using an average of 892 kWh per month would see their monthly bills increase from \$85.63 to \$87.74. The Company requests that its Application be processed under Modified Procedure.

STAFF RECOMMENDATION

Staff has reviewed the Application and recommends the Application be processed under Modified Procedure, with comments due by September 9, 2021 and the Company's reply due by September 16, 2021.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure with a comment deadline of September 9, 2021 and a Company reply deadline of September 16, 2021?



John R. Hammond Jr.
Deputy Attorney General

I:\Legal\ELECTRIC\AVU-E-21-09 PCA\AVUE2109_dec_jh.docx